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A Level Economics Topic Questions / Paper 2

Topic: 1.3 Factors of production

Question-1

Explain the role of profit in an economy where the price mechanism operates to allocate resources. [8]

Question-2

Explain, using examples, the difference between private goods and public goods and why public goods will not be supplied by private enterprise. [8]

Question-3

With the help of a diagram(s), explain what is meant by equilibrium in a market and consider the extent to which the equilibrium price and equilibrium quantity are likely to change for a product following an increase in the wages for labour across the whole economy. [8]

Question-4

Explain the factors which determine the size and productivity of a country's labour force. [8]

Question-5

Explain the role of the enterprise factor of production in a free market economy, and compare this with the role of the other factors in the production process. [8]